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ABSTRACT

Perspectives on postsecondary education planning at the state level are presented. Statewide planning in higher education emerged as a result of the large number of college students occurring after World War II. The important contribution of planning in the 1960's was to expand the physical plant; in the 1970's planning became a little more sophisticated. Directions in the 1970's included the role and scope of institutions, innovative procedures and approaches, bringing health-related professions out of the noncollegiate and into the collegiate sector, and adjustment to a new student clientele and a new way of financing higher education. Most planners in higher education agree that there will be a reduction in full-time students beginning in the early 1980's. The uncertain nature of the student population makes higher education planning a much more important function than it has ever been before. Elements of a five-year planning model would include: student enrollments and projections, educational programs, requirements for faculty and staff, and higher education financing. There can be no real state-level planning without real institutional planning and adequate processes and involvement. It will be important to explore various state level planning models and approaches, including the (1) higher education management model, the (2) student access model, and the (3) budget incentive model, or a combination of the three. Nine policy implications for state higher education systems are noted, including state-level decision-making regarding closing a public institution. (SW)

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STATEWIDE PLANNING: ELEMENTS, PROCESSES, RESOURCES

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I have been invited to this conference on postsecondary planning because I am a survivor of two decades of higher education planning at the state level, and that presumably qualifies me to speak authoritatively as both historian and prophet. I feel rather comfortable in the role of historian, since I have outlived all of the college presidents--43 of them--who were serving in Oklahoma when I came on the scene as a young research assistant in the Chancellor's office back in 1961. However, my prophet's role is somewhat more tarnished, since I have authored a great number of planning documents over the years, all of which have turned out to be wrong in greater or lesser degree.

What I plan to say here today will be necessarily limited by my own background and perspective as a higher education administrator whose career has been spent with one state coordinating agency. You will of course recognize this and appropriately discount it. I do not apologize for my lack of mobility; in fact, it has given me certain strengths. Nevertheless, in the words of a former professor, "Pardon me for talking about my personal experiences, but those are the only kind I have ever had!"

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State-Level Higher Education Planning

Statewide planning in higher education is still a relatively new phenomenon, having emerged only in the late 1950's and early 1960's as a response to the threatened inundation of colleges and universities by the "war babies" of the World War II era. Had the challenge to public higher education not been of such an emergency nature, it is doubtful if the present concept of state-level planning could have emerged, given the cultural antipathy which most Americans have felt for planning as a governmental activity. In the past, mention of state-level planning usually conjured up visions of Bolshevism with its five-year plans, Maoism and its "Great Leap Forward," or of Aldous Huxley's Brave New World.

In more recent years, higher education planning has become acknowledged as necessary or even desirable, based upon the positive experiences of the 1960's when cooperative efforts by the national and state governments allowed colleges and universities to double their enrollments in a single decade while simultaneously upgrading the quality of their faculty and their programs. Such accomplishments could not have occurred had not long and mid-range planning taken place at all levels to ensure that new teachers and new classrooms were in place by the time students arrived to be enrolled and taught. It was the national government which provided most of the impetus, but it was state governments and state-level higher education agencies which developed the planning and administrative mechanisms which made the system function.

Although planning in times of assured growth and prosperity is important, it becomes indispensable in times of uncertainty or decline. Dr. Clark Kerr, Chairman of the prestigious Carnegie Commission on Higher Education which recently spent six years and $6.5 million studying American higher education, made the following comments in Oklahoma City in May of 1975.[1]

> There is another possibility. . . that in terms of enrollment, higher education will not grow at all from 1980 until the year 2000. There is a possibility that there may even be an overall decrease; that there will be fewer enrollments in the year 2000 than we have right now. Some institutions are already down in enrollment. More will be going down. Some will disappear and in almost every institution there are some programs which have been declining. So, for the first time in modern American history we are facing the problems of planning with very little knowledge about what the future may hold. That makes planning more important. It is not so hard to plan when the future is certain; the future almost plans itself. An uncertain future makes it more important to plan but it also makes it more difficult to plan.

Alabama, like the nation, is embarked upon an uncertain higher education future, which makes it not only more important, but also makes it more difficult to plan. There is every indication that the direction for the 1980's will not be "onward and upward" as it was during the 1960's; rather, it appears that the new direction for the 1980's will be either "steady" or "downward."

Given this kind of future, it would appear more rational to plan on a "fail-safe" basis than continue to assume that

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[1]Dr. Kerr made these observations in a speech before the Oklahoma State Regents for Higher Education and the Citizens Advisory Council on Goals.

things will be tomorrow like they were today. This means that Alabama higher education should hope for bigger things, but plan for lesser, hope for calm days and starry nights, but plan for unsettled conditions and possible tornadic winds. In short, it is our conclusion that it is far more defensible to plan for disaster and be surprised by joy than to plan for a season of plenty and be overtaken by famine. Higher education learned in past days that it is easy to plan during good times; the challenge of the 1980's will be to plan for uncertainty. We shall not be able to predict the future with accuracy, but we can build alternative images of the future and devise ways to survive in an uncertain climate.

Planning for the 1960's.--As I look back on the planning that we did in the early 1960's, I realize that it was not really planning in the modern sense. We looked at the children of the World War II veterans moving through the high schools toward the colleges and shouted "Here they come!" to our state legislatures and citizens. With the help of the Higher Education Facilities Act of 1963, we built new institutions and expanded the size of our existing institutions to take on the war baby work load. There was no way we could make a planning error in the 1960's, because yesterday's excess faculty and classroom space were tomorrow's blessings, since we knew that our excess capacity would be needed sooner or later. Thus I would have to conclude that the best and almost the only important contribution of planning in the

1960's was to expand the physical plant. Toward the end of the decade we got into some qualitative planning as a result of the space race, but that was mostly reaction rather than action.

Planning for the 1970's.--In the 1970's, state-level planning became a little more sophisticated. We were still interested in student access, but we refined the system. We began to get interested in role and scope of institutions, in order to effect a rational division of labor between and among the two-year colleges, four-year colleges, and doctoral institutions. We also became interested in making the system more flexible through new innovative procedures and approaches such as external degrees, universities without walls, revised calendar approaches, televised instruction, CLEP testing, and the like. We also changed our educational programming drastically, bringing all of the health-related professions out of the non-collegiate into the collegiate sector.

Finally, in the 1970's we have adjusted to a new student clientele and a new way of financing higher education. These adjustments were necessitated by the way the federal government has chosen to participate in higher education. Instead of giving money to institutions, the federal government has chosen to channel its money through the student, hoping to create a market model which will make the private sector more competitive and the public sector more responsive. The outcome of this strategy is still in doubt.

The Planning Outlook for the 1980's

It is by now a widely recognized phenomenon that the number of 18 year olds nationally will decline by 25 percent between 1975 and 1992. This drop in the number of young people will have a significant impact on many sectors of the economy, including the housing industry, household furniture and appliances, the baby-food industry, the automotive industry, the music industry, and the formal attire industry, to mention only a few. In fact, all of those enterprises and activities which depend heavily upon young people for their existence will be significantly impacted beginning with the early 1980's.

Most experts and planners in higher education agree that there will be a reduction in full-time students beginning in the early 1980's, which will most likely result in a diminished work-load for higher education generally. There is not yet a concensus on the level of that reduction, with predictions ranging all the way from Stephen Dresch's minus 40 percent to the Carnegie Commission's status-quo projection. No one, however, with the possible exception of Howard Bowen, is projecting an increase between now and 1995. Bowen's euphoria is based upon the potential for enrolling adults in colleges and universities as a part of the life-long learning movement.

It is my own personal view that adults will not be able to take up nearly all the slack created by the reduction in traditional college-age students, and that there will be

moderate to severe decreases in nearly all colleges and universities by 1985. It is also my view that institutions and agencies other than colleges and universities will capture two-thirds of the adult market, including vocational-technical schools, proprietary schools, industry, the military, churches, and local school systems. In short, I do not have a sanguine attitude about the continuation of the enrollment boom enjoyed by colleges during the decades of the 1960's and 1970's.

The uncertain nature of the student population makes higher education planning a much more important function than it has ever been before. The question therefore arises, "Can we really do meaningful planning in a time of uncertainty or decline, or is higher education planning merely a delusion?" The fact is, we do not yet know.

The German philosopher, Hegel observed approximately 150 years ago that "The owl of Minerva takes its flight when dusk has fallen." In simple terms---since Minerva is the Goddess of the Mind and the owl is a wise old bird--wisdom seldom if ever appears on the human scene until it is too dark to do anything about our condition. Put another way, we never really begin to use our heads about a problem until it reaches crisis proportions. I would cite the current debate over energy as a prime example of Hegel's correct observation.

For 50 years public policy makers have known that the world is fast using up its most desirable fossil fuels, namely petroleum and natural gas. However, it was not until

the Arab oil embargo of 1973 that the American public began to grow concerned about the problem. In short, it took a crisis to alert us, and as soon as the crisis was over we went right back to sleep. We are just now, five years later, beginning to address the matter through a comprehensive national energy program.

I will now submit to you as a theory what has been long-suspected. There was no shortage of oil in 1973 because of the Arab oil embargo. In fact, what we had was a shortage of refined gasoline brought about when people began keeping their gas tanks 3/4 full instead of 1/2 full as before. The truth is that we were getting almost none of our imported crude from the Arab nations at that time. Instead, we were importing about 80 percent of our crude oil from Canada, Nigeria, Venezuela, and other nations not affected by the embargo.

Thus we had a manufactured crisis, brought about by a real embargo, but one which had no real impact on the current situation. However, the consequences of that crisis were real enough, driving up the profits of the petroleum industry and helping to alert the American people to the necessity of adopting a national energy policy, even though the process has been slow.

Let us move now from energy to higher education. If it is true that we plan seriously only under the threat of crisis--and I believe this to be true--are we now at the crisis stage in higher education, or must we experience the

crisis before we begin to plan? If Alabama is like Oklahoma, there is an intellectual awareness among college presidents that there is the threat of enrollment decline in the 1980's, yet each president confidently asserts that it will not happen at his institution. In short, we must either await the disaster and then pick up the pieces or we must somehow get across to the nation that the planning crisis really exists. I would maintain that the latter course is more rational, and the former more probable.

Planning Elements, Processes, Resources

Let us assume that public higher education is a rational enterprise, and that there is a recognized need and desire to do rational planning. What are the elements of a five-year planning model? As a minimum, such a model would give major attention to four elements common to all institutions, these being student enrollments and projections, educational programs, requirements for faculty and staff, and higher education financing. A model which manipulates these elements in alternative fashion would probably have utility for both institutions and systems.

Planning Processes.--Any planning procedure which hopes to succeed must involve those institutions and individuals who will be responsible for implementing it. In higher education, as in other institutions (not excluding prisons), there is governance only with the consent of the governed--or coordination with the consent of the coordinated, to

use a higher education term. There can be no real state-level planning without real institutional planning, and there cannot be bona fide institutional planning without adequate processes and involvement. These admonitions, though trite, are nonetheless true.

Planning Resources.--One of the chief planning problems confronting us is that our problems are long-range in character, whereas most of our solutions are of the short-range nature. For example, it would be helpful to know what our operating budgets will look like five years from now, in order that we could couple five-year budget-planning with five-year program planning. However, that is not the way our system works, and we find ourselves guessing from year-to-year about the amount of resources which will be provided for higher education operations. As we plan for the period 1980 - 1985, we would do well to look at some kind of guaranteed base below which institutions will not be allowed to fall, regardless of what happens to student enrollments.

A State-Level Planning Model

That of course is only one of the many possibilities that lie before us as we plan for the changes which will inevitably occur in the years ahead. We will need to explore various state level planning models and approaches, including the (1) higher education management model, the (2) student access model, the (3) budget incentive model, or a combination of the above. I am indebted to my good friend John Folger for these categories. 11

The management model is the most traditional of the three planning models put forward since it focuses on efficient use of resources, avoidance of duplication and competition, and the like. The model which the federal government has for the most part used is the student access model, which puts resources in the hands of the students and then lets the students determine which institutions shall prosper and which shall decline. The budget incentive model attempts to move institutions toward pre-determined goals by making resources available for certain categorial purposes, but not others.

All of these pure planning models have advantages and disadvantages. The easiest to operate would be the student access model. The state, like the federal government, would simply put most of its money into students, and then let students make the basic decisions on a market basis. This model would probably best strengthen the private sector, and would respond most quickly to the needs of the job economy.

The budget incentive model would give creative, alert institutions the advantage over traditional, sluggish institutions in that this model would allow institutions to compete for public funds by submitting proposals to carry out pre-determined state objectives. Those institutions most skilled in competing for projects and implementing them successfully would thus have a great advantage and there would be greater creativity and diversity as a result.

Perhaps the most challenging and certainly the most difficult of all the planning models discussed here is the

management model. Higher education is under fire from the public to become more efficient, to show more accountability, and to avoid unnecessary duplication of effort. As our student enrollment base declines, it will be increasingly difficult to maintain the efficiency we have, much less become more efficient. We are therefore discouraged from utilizing this planning model.

We could make state-level coordinating boards look relatively better and institutions look relatively worse by using a planning model other than the management model. We could make the state-level board look relatively worse and institutions relatively better by using the management model. What is needed at this stage of the process is not credit or blame, however, but the kind of planning designed to improve higher education and make it more responsive to the people.

Regardless of what policy stance is adopted by the state-level coordinating agency, there are a number of important policy matters to be considered during the decade of the 1980's. A list of those policy implications is set out as an attachment to this paper, but will not be dealt with at length here. I am sure that each of you, if pressed, could come up with a similar list. In short, however, the list includes concerns such as institutional viability criteria, educational standards for degrees, institutional recruitment, higher education pricing to the student,

academic territoriality and turfsmanship, international students, private-sector vitality, program review, and faculty development.

As we study and plan for the decade of the 1980's, we must together explore all of the planning alternatives available to our respective state systems, and then together work toward the best solutions to our mutual problems. We must hang together and avoid scapegoating if we are to do the best by the people--from now to the 21st century.

If we have something good to share with you, we want to do it. If you know of a better way, please share it with us. The prospect of higher education as a railroad industry does not particularly appeal to me at this stage of history, and I trust that we can turn today's prospective lemons into tomorrow's lemonade through the addition of some cooperative sugar.

SOME POLICY IMPLICATIONS FOR STATE HIGHER EDUCATION SYSTEMS

1. With the decline in traditional student enrollment, colleges and universities will decrease in average size. Some few institutions will be able to hold their own, while most will shrink. States will thus be called upon to develop criteria for determining when public institutions become too costly, too inefficient, or too stagnant to continue to exist. Whereas hundreds of private colleges have gone down the drain over the past century, few public (at least state) colleges have been allowed to die.

2. We will need to promulgate policies and provide leadership to guarantee high educational standards for completion of educational programs at the various levels in public institutions. Should not graduates of baccalaureate programs be able to read with comprehension and write with some clarity?

3. We will need to devise some ground rules to help guide institutional recruitment in the 1980's, both to assure high ethical standards of recruiting conduct and to prevent the unnecessary expenditure of public funds on recruitment. As a public utility, higher education really needs no sophisticated advertising campaigns or gimmicks to beat the competition when that competition is another public college or university. There is perhaps a fine line between informing the public and expending taxpayer funds unnecessarily to catch up with Hertz or beat Avis.

4. We will need to become more knowledgeable about higher education pricing to the student, and how pricing affects the whole structure and relationship between and among institutions and between the public and private sectors. Should we price all lower-division enrollment charges the same at all institutions? Should we charge students a fixed portion of their educational costs by program or by level? Should we go to full pricing and then offset these costs by grants and loans to needy students in a graduated fashion? What portion of costs should be borne by the student, by the state, by the federal government?

5. How shall we deal with institutional notions of territoriality and turfsmanship in the 1980's? How shall we deal with the phenomenon of off-campus education, courses by television and computer, courses and programs from out-of-state? What shall be the relationship of the federal and state governments in the interstate commerce aspects of higher education marketing? What is the place of the accrediting agencies in regard to this issue?

6. What stance should we take in regard to the education of international students? Should the various state governments continue to provide an educational subvention to foreign governments when those foreign

governments are able to pay the full costs of their citizens' educations? Or should our federal government assume a share of those costs? Perhaps the state governments should simply go to a full-pricing scheme and let others worry about foreign policy!

7. States will need to work carefully with institutions in the private sector to help assure both the viability and the independence of the private colleges. The perfect scheme has not yet emerged to solve that dual set of problems.

8. States should seek to adopt policies on program review and evaluation which not only work toward the elimination of unnecessary duplication, but which also help to assure high quality educational programs at all levels.

9. Higher education systems should be aware of the threat posed by systematic aging of the faculty, in order to help devise policies on faculty tenure, retirement and compensation which will guarantee fair treatment for productive faculty, but will likewise allow for the pruning of unproductive faculty and to assure that a steady supply of young creative faculty are recruited into public higher education annually.